

fine organics corporation

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VIA FAX: 609-777-4285
(and regular mail)

Mr. Joseph J. Nowak
Case Manager
NEW JERSEY DEPARTMENT OF ENVIRONMENTAL
PROTECTION AND ENERGY
Division of Responsible Party Site Remediation
CN-028
Trenton, New Jersey 08625-0028

Re: Hexcel Corporation
Lodi Borough, Bergen County
ISRA Case #86009

Dear Mr. Nowak:

Fine Organics Corporation ("Fine Organics") is the owner of certain real property and facilities located at 205 Main Street, Lodi, New Jersey (the "Property"). The Property is the subject of the above referenced ISRA Case #86009 and was conveyed to Fine Organics by the prior owner, Hexcel Corporation, ("Hexcel") in March 1986. Hexcel recently filed for protection under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of California, Case No. 93-48535T, in San Francisco, California.

We request the New Jersey Department of Environmental Protection and Energy ("NJDEPE") to direct Hexcel to remediate the accumulation of PCB Contaminated ground water that is continuously seeping into the lower floor level of Building #1 at the Property. As noted, Fine Organics acquired the Property from Hexcel on March 31, 1986. This transaction was subject to the provisions of the Environmental Cleanup Responsibility Act, N.J.S.A. 13:1K-6 et seq.

By Administrative Consent Order ("ACO") dated January 26, 1986, Hexcel was required to complete a cleanup plan for the Property pursuant to a time schedule and to provide financial assurance for the cleanup. (ACO ¶9) Hexcel submitted a cleanup plan and gave financial assurance to the NJDEPE in the form of a bond in the amount of \$3,000,000.00, pursuant to the ACO ¶¶10 and 11. We understand that Hexcel subsequently increased the amount of the bond to \$4,000,000.00 at the direction of the NJDEPE.

The ACO ¶12 states that the obligations imposed upon Hexcel are not "intended to constitute a debt, claim, penalty or other civil action which could be limited or discharged in a bankruptcy proceeding." Moreover, we understand that Hexcel's obligations to remediate contamination at the Property may not be eliminated in the Chapter 11 bankruptcy proceeding. See, In re: Torwico Electronics Inc., No. 93-5021 (3rd Cir., Oct. 25, 1993).

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88318

fine organics corporation

Mr. Joseph J. Nowak

April 28, 1994

Page Two

On April 26, 1994, we conferred by telephone with representatives of Hexcel in an effort to persuade Hexcel to remediate the existing hazard of PCB contaminated water at the Property. We indicated to Hexcel that the PCB contaminated water was disrupting our manufacturing operations. We also expressed our concern that the contaminated water might pose a health hazard. Basically, Hexcel indicated on April 26 that it could not hire any consultant or expend any money to remediate the contaminated water. It is our belief that the accumulation of contaminated water has formed because Hexcel has not operated, for several months, the ground water treatment system it had earlier installed at the Property pursuant to the ACO.

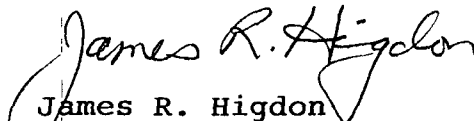
Please contact Hexcel at your earliest convenience and compel Hexcel to remediate the PCB contaminated water at the Property. We believe that Hexcel is obligated to do this pursuant to the ACO and the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq. We also believe that the aforesaid Chapter 11 proceedings do not impede Hexcel's ability to fulfill its legal obligations. In any event, the NJDEPE should be able to facilitate remediation of the contaminated water by drawing upon the \$4,000,000.00 financial assurance which Hexcel has provided to fund the cleanup of the Property.

Kindly give this matter your prompt attention.

Thank you.

Very truly yours,

FINE ORGANICS CORPORATION


James R. Higdon
Director of Operations

JRH/mc

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